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TAGS: [PGOV](#) [EINV](#) [AG](#)
SUBJECT: BOUTEFLIKA MAKES A SHOW OF FIRING GOVERNOR FOR
CORRUPTION

Classified By: DCM Thomas F. Daughton; reasons 1.4 (b), (d).

¶1. (U) In an October 28 communique read on national television and covered widely in the press, President Bouteflika fired Djillali Araar, the wali (governor) of El-Tarf province in northeastern Algeria. While the communique did not indicate the reason for Araar's dismissal, he was recently charged with corruption and misuse of public funds. The dismissal came on the heels of the return of Justice Minister Tayeb Belaiz from a conference on corruption held in China. It also came soon after Araar told reporters that he would not resign and would leave only if the president told him to.

¶2. (U) Araar has been under a cloud of suspicion for several months. According to press reports confirmed by Embassy contacts, an investigation begun in January of transactions involving the El-Tarf provincial government uncovered, among other problems, bogus projects, corruption, overbilling and contract awards that did not follow proper procedures. In June, Araar appeared in court in Annaba for the first time since the inquiry began. His court appearances will become more frequent in the coming months, and his case is expected to rise to the level of the Algerian Supreme Court.

¶3. (C) An aide at the presidency who contributed to the communique told us President Bouteflika wanted the firing of Araar to signal that corrupt practices would not be tolerated. A Ministry of Religious Affairs official recently commented privately that it was important, in the lead-up both to an expected referendum on constitutional change and to May 2007 parliamentary elections, to show that the government was tough on corruption. He said Algerians still perceived the Islamists as less corrupt -- an image the government had to fight.

¶4. (C) Comment: The dismissal of a governor for corruption makes good copy for the newspapers, but Araar's firing was more than mere show. He joined the walis of Blida and Oran to become the third in 18 months to be sacked on suspicion of corruption. Senior government officials recognize that corruption remains a major impediment to economic reform and foreign investment. Politically, ordinary Algerians' continuing perception that the Islamists have clean hands -- at least in this regard -- is compelling the government to make the most of its high-profile dismissals in advance of upcoming elections.

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